

DEPT. OF TRANSPORTATION
BUSINESS

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Before the United States Department of Transportation

Washington, DC

July 21, 2005

Essential Air Service at

EL CENTRO, CALIFORNIA

Docket OST-2005-21191 - 3

under 49 U.S.C. 41731 et.seq.

This contains the response of Great Lakes Aviation, LTD. to Order Requesting Proposals 2005-6-15.

Great Lakes Aviation, Ltd. is pleased to submit these proposals to provide essential air transportation at this point in California. The company has a more than 20 year history of providing reliable Essential Air Service. This Proposed service is being offered with local service marketed and priced utilizing the Great Lakes (ZK) Reservations systems which includes customer ticket purchasing capability on both a Great Lakes Web site and on all major Web Booking Engines. (Orbitz, Expedia, Travelocity, etc.)

Great Lakes's proposals all contemplate non-stop, conveniently timed service to and from Los Angeles International Airport or Phoenix. As in our arrangement with United Airlines in Denver, Great Lakes will provide service at this California point as Great Lakes Airlines to LAX or PHX, and with code sharing partner United Airlines beyond the Hubs to the extent of their route structure. In addition, Great Lakes maintains interline ticket and baggage agreements with the majority of the other carriers serving the Hubs, which allows for maximum utility of our air service to the airline customers flying in and out of El Centro. The Company is prepared to assist the Community in a detailed review of a transition to a new Hub designation as it relates to our PHX proposal.

In light of the instructions in the order to provide a "last and final" offer for the service to this point, Great Lakes has provided two options for service to this Essential Air Service point for the community and the Department to choose from.

Proposals contemplate the use of either a 19 seat Beech 1900D or a 30 seat Embraer EMB-120 aircraft. Both fleet types are currently operated by the Company.

Questions and comments may be referred to:

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Table of Contents:

Proposal Number	Service Point(s)	Hub(s) Served	Round Trips	Equipment	Subsidy Requirement	Passengers Forecast	Average Fare
1	El Centro (IPL)	Phoenix (PHX)	3	1900D	\$1,697,857	14,000	\$65.00
2	El Centro (IPL)	Los Angeles (LAX)	3	Brasilia	\$1,799,735	14,000	\$70.00

Great Lakes Aviation, Ltd.

Annual Compensation Requirements for Essential Air Service at

El Centro, California to Phoenix, Arizona

2005 Forecast - Three Round Trips - B1900

98.5% Completion Factor

Departures:	1,850
Block Hours:	2,004
Revenue Passenger Miles:	2,954,000
Available Seat Miles:	7,415,968

Operating Revenues:				
Passenger:	IPL-PHX	14,000	psgrs at	\$65.00
				\$910,000

Other:	(at 0.62% of passenger revenue)	\$5,642
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Total Operating Revenues:	\$915,642
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Operating Expenses:		
Direct:	Aircraft and Hull Insurance	\$332,101
	Fuel and Oil	\$630,500
	Flying Operations	\$312,063
	Maintenance	\$436,069

Total Direct Expenses:	\$1,710,732
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Total Indirect Expenses:	\$778,314
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Total Operating Expenses:	\$2,489,047
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Operating Loss	(\$1,573,405)
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Profit Element (5.0% of Total Operating Expenses)	\$124,452
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Annual Compensation Requirement:	\$1,697,857
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Proposed Schedules

Flt #	Freq	Flow	Schedule	Block Time	Miles	ASMS	Equip
1	12345.7	IPL-PHX	0625-0730	65	211	4009	BE1
2	123456	PHX-IPL	0930-1035	65	211	4009	BE1
3	123456	IPL-PHX	1110-1215	65	211	4009	BE1
4	12345.7	PHX-IPL	1430-1535	65	211	4009	BE1
5	12345.7	IPL-PHX	1650-1755	65	211	4009	BE1
6	12345.7	PHX-IPL	1825-1930	65	211	4009	BE1

Great Lakes Aviation, Ltd.

Annual Compensation Requirements for Essential Air Service at
El Centro, California to Los Angeles, California

2005 Forecast - Three Round Trips - EMB -120
98.5% Completion Factor

Departures:	1,850
Block Hours:	1,850
Revenue Passenger Miles:	2,534,000
Available Seat Miles:	10,044,577

Operating Revenues:				
Passenger: IPL-LAX	14,000	psgrs at	\$70.00	\$980,000

Other:	(at 0.62% of passenger revenue)	\$6,076
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Total Operating Revenues:	\$986,076
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Operating Expenses:		
Direct:	Aircraft and Hull Insurance	\$332,101
	Fuel and Oil	\$661,469
	Flying Operations	\$346,418
	Maintenance	\$508,592

Total Direct Expenses:	\$1,848,580
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Total Indirect Expenses:	<u>\$804,573</u>
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Total Operating Expenses:	\$2,653,153
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Operating Loss	(\$1,667,077)
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Profit Element (5.0% of Total Operating Expenses)	\$132,658
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Annual Compensation Requirement:	\$1,799,735
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Proposed Schedules

Flt #	Freq	Flow	Schedule	Block Time	Miles	ASMS	Equip
1	12345.7	IPL-LAX	0700-0800	60	181	5430	BE1
2	123456	LAX-IPL	0845-0945	60	181	5430	BE1
3	123456	IPL-LAX	1015-1115	60	181	5430	BE1
4	12345.7	LAX-IPL	1230-1330	60	181	5430	BE1
5	12345.7	IPL-LAX	1630-1730	60	181	5430	BE1
6	12345.7	LAX-IPL	1800-1900	60	181	5430	BE1